

## Director Smith's CHOICE Board Speech Notes

September 21, 2006

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**\*\*\*\*Thank you, Mr. Chairman, Members of the CHOICE Board, Chairman Stallons, Commission on Aging, Colleagues and Guests\*\*\*\***

My update is one I share with great enthusiasm and with a sense both pride and humility.

In terms of the **OPTIONS** program, the numbers are positive:

- Since July 1<sup>st</sup> we have made significant progress in adding OPTIONS services:
  - Over 100% increase in enrolled Assisted Living providers: 22 to 47.
  - The first two certified Adult Foster Care Homes in the History of Indiana
  - We have received over 100 new applications for OPTIONS services.
  - As of this past Monday I have directed my staff to discontinue their investigation into the “congregate care” model and we will be removing it from our marketing material and our website.
- We have streamlined the DA operations.
  - From a high of 42 FTEs we are now at 31. My senior staff is here today and I want to publicly thank them for their continued support and dedication. Managing a \$1.5 billion budget with 31 people is a challenge.
  - We have combined the AFC, AL and A&D waivers into a single waiver.
  - We have privatized the Senior Employment Program
  - We have set statewide CHOICE reimbursement rates for the first time.
  - Our OPTIONS website will now have interactive functions for locating providers and will be getting a major facelift to appeal more directly to the customers of long term care.
- We have improved financial performance:
  - The July MFR indicated 3% increase in our leverage of state funds. At 48% we are still almost 15% below our FFP of 62.8%.
    - We have transitioned over 600 CHOICE recipients to the Medicaid waivers.
  - For July our expenditures were lower than revenues. In essence, we were “in the black”.

However, we have not been without criticism – some warranted and some not warranted.

- Waiver reimbursement rates for the two most utilized services: Attendant Care and Homemaker were perceived to be too low. A request was made to further increase these rates and that increase was accomplished. Today I am announcing that the corresponding choice rates will be increased effective 10/1 to 2% below the waiver rate. We feel that the financials are in the right direction and our goal of statewide CHOICE rates has been achieved.

- I was personally accused of creating a “human crisis” through the rate changes. However only 9 of 321 attendant care providers dropped services. All consumers continued to receive services with other providers. The “crisis” did not materialize.

During much of the past three months I have traveled the state espousing the value of business model change. I have been to Gary, South Bend, Goshen, Plymouth, Yorktown, Ft. Wayne, Portland, Richmond, Kokomo, Evansville, Shelbyville, and Sellersberg. For those of you who don’t know, I will be in Elkhart next week spending a night as a resident in a nursing facility so I can experience first-hand the care that we are providing.

I have visited over 30 facilities, including nursing homes, assisted living facilities, adult day services, senior apartments, senior centers, and home health agencies. I have also responded to a suspicious death with my Adult Protective Services coordinator to understand the process of investigating these issues. I have also addressed national organizations in three cities and learned what other state’s are doing to ensure the health and quality of life of seniors.

I would argue that I have become the best informed advocate for senior citizens in Indiana. As such, I am best able to look critically at my own organization, and in those travels I have learned one very important thing: *We haven’t changed our own internal model enough.*

I need to continue to evolve the business model for the Division of Aging. The demographic the Division of Aging’s clients are the individuals whose healthcare service options are most affected by external factors, including (but not limited to) Transportation, Housing, Nutrition, Health Promotion and Wellness, and Veteran’s Programs. (Mother vs. Senior example) The long term vision of the Division of Aging should include more focus on the customer, the tighter integration of inter-departmental services, increase efficiency in service delivery, and the application of business best practices to ensure that the holistic needs of seniors are being met. I will be proposing a number of changes over the course of the next several months that will be guided by this singular objective.

The merger of the CHOICE Board and COA is a very important step in this process.

- Both groups bring their own perspectives, but they are in many ways redundant.
- The annual cost of these groups is a direct reduction from funds that can be used to provide direct care. This includes a significant amount of DA staff time that is saved and can be focused on building our new business model.
- The two groups collectively deal with all of the issues described in my vision of our new business model and should therefore be consolidated to best fit in this business model.
- In my travels around the state –which I highlighted above – I have never heard one single mention of the Commission on Aging or the CHOICE Board. A single commission can be promoted to our customers and have its profiled raised through PR, etc. and become more of a force in Indiana.

In summary, we are doing well but need to make adjustments: some small and some significant. I am committed to making these adjustments in order to provide the maximum amount of services available that we can afford. It’s not easy, but we will continue to give it maximum effort. Thanks.